

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE ARGON CREDIT, LLC
Debtor.

)
) Chapter 7
) NO: 2016-39654
) Hon. Deborah L. Thorne
) Hearing Date: May 10, 2018
) Hearing Time: 10:00 a.m.

**CONSUMERS' RESPONSE TO SUPPLEMENTAL INFORMATION
PROVIDED BY FUND RECOVERY SERVICES (DOC. 307) REGARDING
CONSUMERS' MOTION FOR RELIEF FROM AUTOMATIC STAY**

TO: SEE ATTACHED SERVICE LIST

Lindsay Fore, Kim L. King, Theresa Madrigal, Yolanda J. McKinney, Karensa Hutchens, Patti M Couture, Rosemary Gonzalez-Lopez, Steven Prescott, Karen Vinson, Dean Sipe, Stephen Craig Brown, Dennis B. Estrada-Jimenez, Samantha Rae Wilder, Tiffany N Comfort, John K. Brigoli, Dennis C. Cantrell, Mathew V. Muniz, Joseph N. Roberson, Donald Dotson, Felicia M. Spiller, Delilah Jasso Rodriguez, John Fountaine, Sonja Hallmon and Eric Shorter [hereinafter Consumers] respectfully submit this response to supplemental information provided by Fund Recovery Services (Doc. 307) regarding Consumers' Motion for Relief from Automatic Stay.

DATED: June 14, 2018

Respectfully submitted,

By



Jeffrey Wilens, Esq., Pro Hac Vice
Lakeshore Law Center
18340 Yorba Linda Blvd., Suite 107-610

Yorba Linda, CA 92886
714-854-7205
714-854-7206 (fax)
JEFF@LAKESHORELAW.ORG

Derek V. Lofland LLC, Esq. (#6280490)
The Law Office of Derek V. Lofland LLC
2038 & 1/2 N. Spaulding Ave, Unit 2
Chicago, IL 60647
(312) 545-5033
derekloflandesq@gmail.com

CERTIFICATE OF SERVICE

I certify that I am a citizen of the United States and a resident of Orange County, State of California. I am over the age of 18 years and am not a party to this Action. My business address is 18340 Yorba Linda Blvd., Suite 107-610, Yorba Linda, CA 92886.

On June 14, 2018, I caused to be served a true copy of the above notice and attached pleadings upon the Service List through the Court's ECF System, or by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid through United States Postal Service at Yorba Linda, California, addressed as set forth below this declaration.

I declare under penalty of perjury and under the laws of the State of California, that the foregoing is true and correct. Executed this 14th day of June 2018 at Yorba Linda, California.



Jeffrey Wilens

Peter J. Roberts

Eugene Crane (Atty. No. 0537039)

Shaw Fishman Glantz & Towbin LLC

Jeffrey C. Dan (Atty. No. 06242750)

1 2 3 4 5 6 7 8 9 10	321 North Clark St., Suite 800 Chicago. IL 60654 P: (312) 276-1322 F: (312) 980-3888 proberts@shawfishman.com csanfelippo@shawfishman.com lleekaczmarek@shawfishman.com SERVED ELECTRONICALLY	CRANE, SIMON, CLAR & DAN 135 S. LaSalle Street, Suite 3705 Chicago, IL 60603 312-641-6777 jdane@craneheyman.com ecrane@craneheyman.com jmunoz@craneheyman.com dkobrynski@craneheyman.com gheyman@craneheyman.com asimon@craneheyman.com SERVED ELECTRONICALLY
11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Patrick S. Layng USTPRegion11.ES.ECF@usdoj.gov SERVED ELECTRONICALLY	

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE ARGON CREDIT, LLC
Debtor.

)
) Chapter 7
) NO: 2016-39654
) Hon. Deborah L. Thorne
) Hearing Date: Under Submission
) Hearing Time: 10:00 a.m.

**CONSUMERS' RESPONSE TO SUPPLEMENTAL INFORMATION
PROVIDED BY FUND RECOVERY SERVICES (DOC. 307) REGARDING
CONSUMERS' MOTION FOR RELIEF FROM AUTOMATIC STAY**

Pursuant to Court order, Fund Recovery Services (FRS) filed a document (Doc. 307) containing information pertaining to the status of the collections from consumers who paid back loans from Argon Credit between January 2017 and April 2018.

FRS' CEO submitted a declaration stating that FRS has collected approximately \$5.9 million between those dates and is trying to collect some \$19.9 million that is still owed according to its records. Although that declaration does not break down the figures California borrowers, in an earlier filing FRS stated that California borrowers represented about 44% of Argon's loan portfolio. (Doc. 297, p. 4.) In other words, FRS could be facing claims for almost \$2.6 million in restitution and \$8.7 million in debt forgiveness if every California borrower were able to assert a claim, most likely in a class action.

By contrast, Consumers have sought leave to bring approximately 25 arbitration claims. Although FRS did not present the Court specifics on the value of those claims, they have been estimated to be about \$100,000. (Doc. 298, p. 6.) Even if one doubled that amount, to reflect debt forgiveness, it is still a lot less than \$10 million.

1 If the Court's purpose for requesting this supplemental information was to
2 determine what percentage of the total loan portfolio is represented by the loans
3 pertaining to the Consumers seeking to arbitrate their claims now, the answer is an
4 extremely tiny percentage—around one percent. The Estate would be better protected
5 and better off if these arbitrations are permitted to go forward. While it should be
6 expected that some additional individuals may bring similar arbitration claims in
7 coming months, that is still vastly preferable to facing a class action. Indeed, that is the
8 typical purpose of an arbitration provision—to block class actions. If the arbitration
9 agreements are no longer enforceable in light of the bankruptcy filing, the Consumers
10 will proceed with an adversary class action, which cannot possibly be a preferred
11 approach for the Estate.
12

13
14 DATED: June 14, 2018

15 Respectfully submitted,

16
17
18 By



19 Jeffrey Wilens, Esq., Pro Hac Vice
20 Lakeshore Law Center
21 18340 Yorba Linda Blvd., Suite 107-610
22 Yorba Linda, CA 92886
23 714-854-7205
24 714-854-7206 (fax)
25 JEFF@LAKESHORELAW.ORG
26
27
28